



THE WATER FOOD ENERGY NEXUS: AN ECONOMIC DIMENSION

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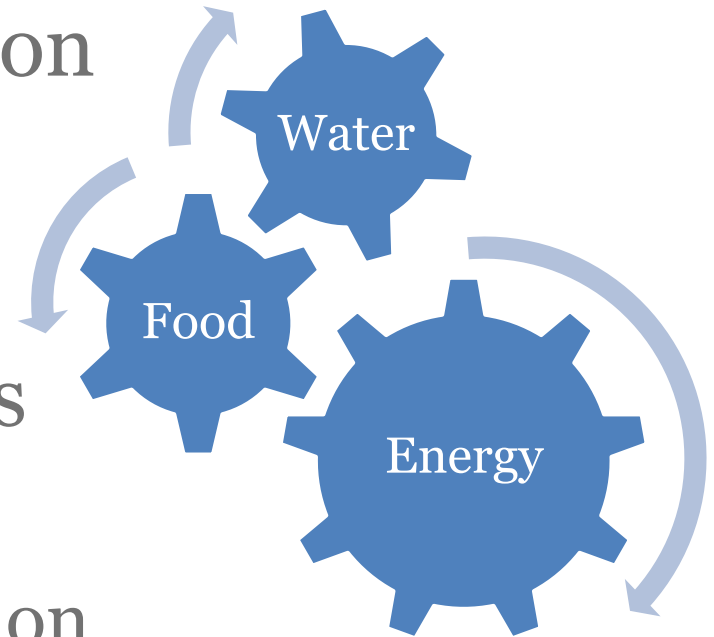
EAP Task Force



The Water Food Energy nexus

From competition to mutual benefits

- The issues with competition
- Opportunities for mutual benefits
- Two additional difficulties
 - A long term perspective
 - The tranboundary dimension





The Water Food Energy nexus

Policy responses

- **Water demand management, water efficiency** (with a focus on agriculture, energy, cities)
- **Role of economic instruments**
 - Signal scarcity
 - Promote efficiency
 - Drive efficient allocation
 - Adjust to shifting conditions
- **Governance**
 - Hydraulic data, monitoring systems
 - Policy coherence
 - Strategic planning includ. SFP and basin plans
 - Business models includ. PSP
- **Transboundary water diplomacy**
 - Trade-offs, costs and benefits assessment



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Where the OECD can add most value

- Sending the right policy signals
 - Prices/taxes that drive efficiency
 - Reform of counter-productive subsidies
- Contributions by main water users to financing water management and water infra (inter alia polluter pays, beneficiary pays principles)
- Integration of sectoral policies into broader policy framework
- Management of multipurpose infrastructures
- Strategic financial planning



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Cooperation with UNECE, process

- Coordinated approach and involvement from the beginning
- Screening /mapping, identification of the most significant inter-linkages; qualitative assessment
- Focus only on key inter-linkages, trade-offs and risks; data collection and quantitative assessment
- Deeper focus of economic analysis is to be determined on the case-by-case basis
- Role of National Policy Dialogues
- EECCA and beyond



OECD Global Forum on Environment New Perspectives on the Nexus

27-28 November 2014

Paris – OECD Headquarter

*A side-event on managing the nexus in
Eastern Europe, the Caucasus and Central
Asia*





Thank you!

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